

# DOES YOUR DIVERSITY SCORECARD HELP YOUR ORGANIZATION WIN?

# ABOUT THE PRESENTER



Attorney by training,  
Entrepreneur, Screen  
Writer, Human  
Resources expert;  
specializing in  
Organizational  
Effectiveness,  
Workforce Planning, HR  
Analytics, Diversity and  
International HR

## □ Academic

- Bachelor Degree in History/Economics from Illinois State University (Normal, IL)
- Juris Doctorate from Saint Louis University (St. Louis, MO)
- Master Degree in Human Resources and Industrial Relations from University of Illinois (Champaign, IL)

## □ Professional

- Ten years in large global organizations: Caterpillar (Peoria, IL), General Motors (Detroit, MI) and ING (Atlanta, GA)
- Director for workforce productivity think tank: Institute for Corporate Productivity (Seattle, WA)
- Started consulting firm in July 2011

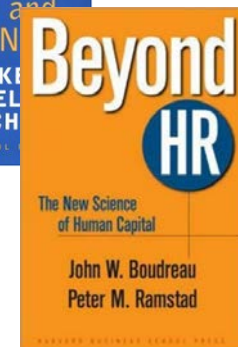
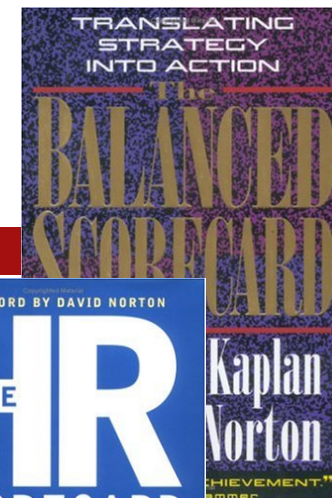
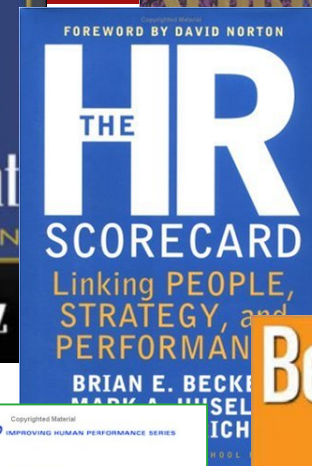
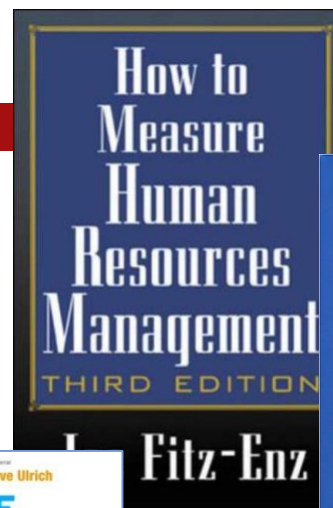
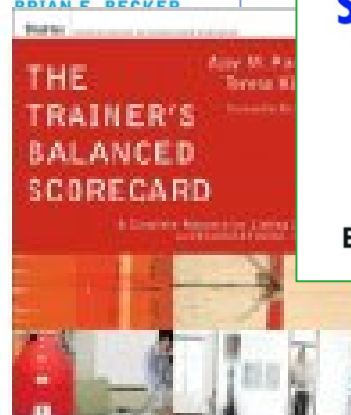
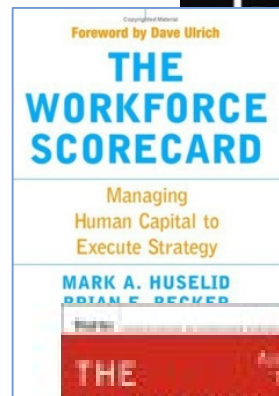
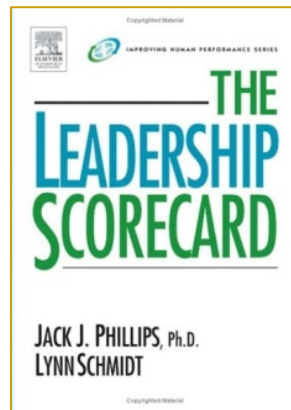
## □ Credentials

- Licensed to practice law in state of Illinois (since 1998)
- Published in People & Strategy Journal, Talent Management Magazine and Diversity Executive among others
- Frequent presenter including Society for Industrial and Organizational Psychology (SIOP), Human Resources People & Strategy (HRPS) and Catalyst Award

# AGENDA

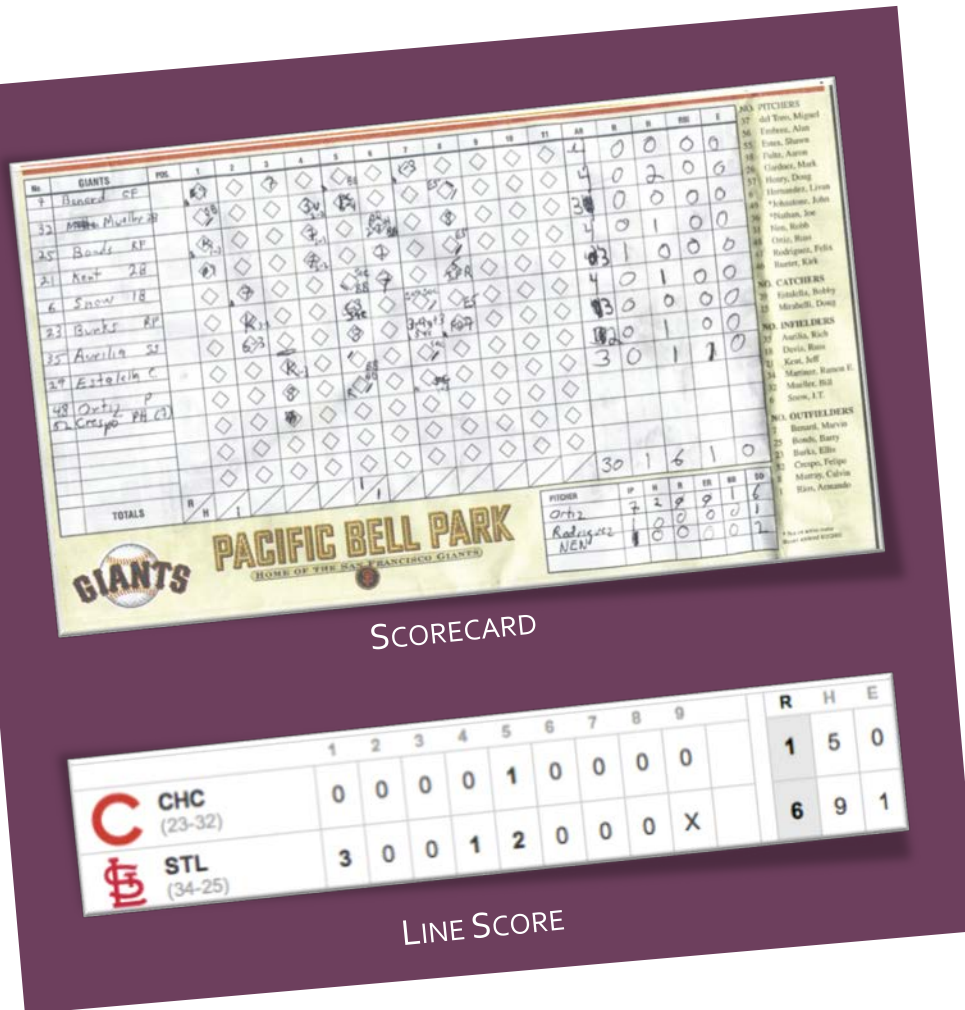
## The purpose of this session:

- ❑ Provide an intuitive framework to think about scorecards
- ❑ Understand the drivers of diversity scorecards
- ❑ Sample Diversity Scorecard



# Scorecards vs. Dashboards

# SCOREKEEPING



- ❑ Scorekeeping is the practice of recording the details of an event as it unfolds, traditionally around sports
- ❑ There are three levels of scorekeeping:
  - Scorecard
  - Line Score
  - Box Score...

# SCOREKEEPING (CONT.)

Team	1	2	3	4	5	6	7	8	9	R	H	E
San Francisco Giants	0	0	0	0	0	0	3	0	0	3	7	0
Texas Rangers	0	0	0	0	0	0	1	0	0	1	3	1

Giants					Rangers				
NAME	ab	r	h	rbi	NAME	ab	r	h	rbi
Torres rf	4	0	1	0	Andrus ss	4	0	0	0
Sanchez 2b	4	0	1	0	Young 3b	4	0	1	0
Posey c	4	0	2	0	Hamilton cf	4	0	0	0
Ross lf	4	1	1	0	Guerrero dh	4	0	0	0
Uribe 3b	4	1	1	0	Cruz rf	4	1	1	1
Huff 1b	3	0	0	0	Kinsler 2b	2	0	0	0
Burrell dh	4	0	0	0	Murphy lf	3	0	0	0
Renteria ss	3	1	1	3	Molina c	3	0	0	0
Rowand cf	3	0	0	0	Moreland 1b	2	0	1	0
<b>Total</b>	33	3	7	3	<b>Total</b>	30	1	3	1

BOX SCORE

- ❑ Leaders want the **Box Score**
- ❑ They need to know the outcome and the key factors that contributed to the “win or loss”
- ❑ In baseball, key data is
  - ab = At Bats
  - r = Runs Scored
  - h = Hits
  - rbi = Runs Batted In

# EFFECTIVE ORGANIZATIONAL SCORECARDS...

- ❑ Can stand on their own
- ❑ Are limited to select measurements (3 -7 metrics)
- ❑ Evaluate past performance
- ❑ Contain measurements on factors that can be controlled or influenced by management
- ❑ Are clearly aligned with organizational goals

# Human Capital or People Scorecard Example

**Organization Name**

**Business Line ABC**

**Reporting Period**

**Date**

All Direct Reports of the CEO are accountable for meeting or exceeding certain Human Capital metrics as part of their individual goals and objectives

This Quarterly Report is provided to monitor progress toward goals and will be used in the annual performance review process

Measurement	Q# Result	Defined	Annualize Result	Evaluation Criteria	Status
<b>Retain Key Talent</b> <i>To meet the business strategy, the organization must retain key talent.</i>					
High Performance Retention Rate	92%	As of April 1st, all employees who received a 4 or 5 rating in the Performance Management Process are considered "High Performers"	90%	Exceeds Expectations - 95.5% or higher Meets Expectations - 90% - 95% Needs Improvement - 89.4% or lower	Meets
Critical Role Retention Rate	88%	All employee in Job Code 123 and 456 are considered in a "Critical Role". New employees in this role are included in the calculation	95%	Exceeds Expectations - 90.5% or higher Meets Expectations - 80% - 90% Needs Improvement - 79.4% or lower	Exceeds
<b>Develop Employees</b> <i>To meet the business strategy, the organization must continue to develop employees</i>					
Rate of Employee Promotions	4%	A promotion is defined as a change in Job Code and an increase in compensation.	7%	Exceeds Expectations 10.5% or higher Meets Expectations - 5% - 10% Needs Improvement - 4.9% or lower	Meets
Percentage of employees participating in corporate sponsored volunteer programs	50%	Employees who use the Volunteer Time Off program & recording hours in the "Company Cares" website	62%	Exceeds Expectations - 50.5% or higher Meets Expectations - 25% - 50% Needs Improvement - 24.4% or lower	Exceeds
Internal Place Rate	46%	A current employee is selected to fill an internal/external posted position. Does not include Progression Promotions	50%	Exceeds Expectations - 65.5% or higher Meets Expectations - 55% - 65% Needs Improvement - 54.4% or lower	Needs Improvement
<b>Employee Diversity</b> <i>To better serve customers, the organization should increase diversity representation in the senior levels of the org</i>					
Percentage of Racial/Ethnic Diverse (R/ED) People Managers	8%	A "People Manager" is defined as someone who supervises another employee in the HRIS system of record. R/ED employees are employees who self identify their Ethnicity as Latino or Race as Non-Caucasian	8%	Exceeds Expectations - 10.1% or higher Meets Expectations - 7% - 10% Needs Improvement - 6.9% or lower	Meets
Percentage of Female People Managers	39%	A "People Manager" is defined as someone who supervises another employee in the HRIS system of record.	39%	Exceeds Expectations - 44.5% or higher Meets Expectations - 40% - 45% Needs Improvement - 39.4% or lower	Needs Improvement
Retention Rate of R/ED employees	87%	On January 1, all employees who self-identified as R/ED and are still employed at the end of the reporting period. New Hires are not included in this calculation. <i>Note: Diversity Representation Metrics are measured as of a point in time</i>	90%	Exceeds Expectations - 88.5% or higher Meets Expectations - 80% - 88% Needs Improvement - 79.4% or lower	Exceeds



# DASHBOARDS IN THE DIGITAL WORLD

- ❑ The term “dashboards” was popularized in the mid-2000s
- ❑ Stephen Few, the preeminent visualization guru, wrote in 2004  
*Once again, marketing alchemists have cooked up a bowl of confusion with only a few simple ingredients. Everyone in the business intelligence (BI) space is wild about dashboards, but few proponents are talking about the same thing. This state of perplexity often occurs after the birth of a new buzzword.*  
*Around a decade ago, I remember asking my IBM account manager how IBM defined the new term in vogue at the time — data warehousing. His response was classic and refreshingly honest: "By data warehousing, we mean whatever the customer thinks it means." In other words, no matter what data warehousing means to you, we do it (and are ready to accept your purchase order for it).*
- ❑ The only common threads are that dashboards appear on computer screens and involve information. That's hardly a useful definition.

Source: [http://www.perceptualedge.com/articles/ie/dashboard\\_confusion.pdf](http://www.perceptualedge.com/articles/ie/dashboard_confusion.pdf)

# COMMON DASHBOARD

- ❑ The goal of a dashboard is to show the user useful information and to display it in a “friendly” manner.



# EFFECTIVE ORGANIZATIONAL DASHBOARDS...

- ❑ Are limited to a few key measurements (5 - 10 metrics)
- ❑ Evaluate present or recent-past activity
- ❑ Show trending information
- ❑ Signal warnings when results fall outside of acceptable parameters
- ❑ Contain measurements that management wants to monitor
- ❑ Support the Scorecard or contain “pilot” metrics

# Human Capital Dashboard

Organization Name

Business Line ABC

Reporting Period

Date

This Quarterly Report is provided to monitor employee attitudes, behaviors and actions

Note:



Trend arrow indicates an improvement over last Q



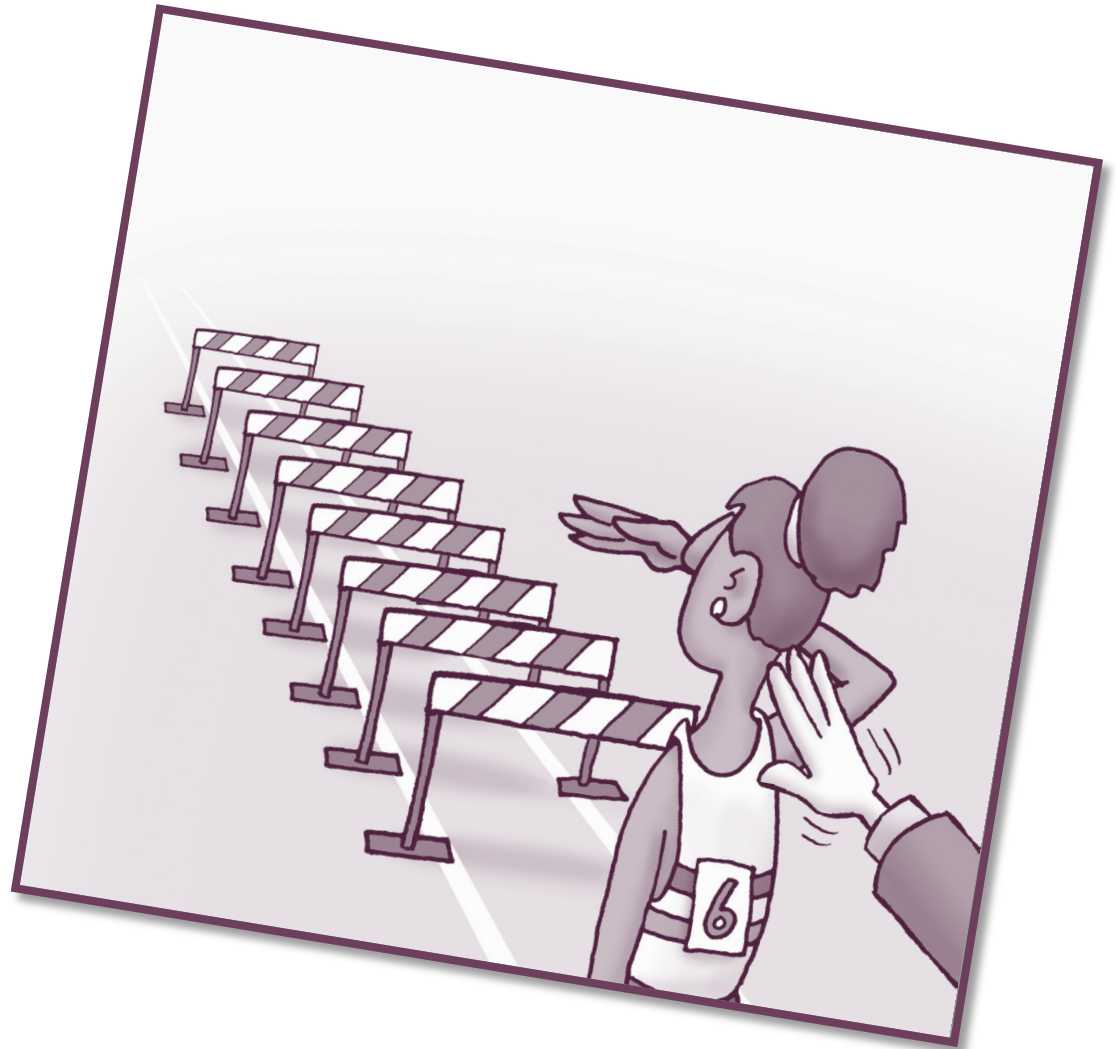
Trend arrow indicates a worse result compared to last Q

Measurement	Q#	Result	Defined	Trend	Evaluation Criteria	Status
<b>Talent Acquisition</b>		<i>To meet the business strategy, the organization must attract the best talent</i>				
Racial/Ethnic Diversity New Hire Rate	13%	Number of new hire employee that self-identify as racial/ethnic diverse as a percentage of all New Hires in the period			Target Rate is above 15% Falling below 10% triggers flag	
% of Employee Referral New Hires	7%	Number of new hire employee that are sourced through employee referral as a percentage of all New Hires in the period			Target Rate is above 15% Falling below 10% triggers flag	
First Year Termination Rate	22%	Number of employees that terminate in the first year as a percentage of all New Hires in the period			Target Rate is less than 15%	
<b>Talent Retention</b>		<i>To meet the business strategy, the organization must retain key talent</i>				
Overall Termination Rate	11%	Number of employees terminated from the organization/the average number of employees during the period			Target Rate is between 4% - 14%	
Termination Rate of Lower Performers	24%	Number of employees terminated from the organization with a performance rating of 1 or 2/the average number of low rated employees during the period			Target Rate is above 30% Reaching above 70% triggers flag	
% of employees retirement eligible	8%	Number of employees whose tenure + age equals 70 /the average number of employees during the period		N/C	Target Rate is between 3% - 7%	
<b>Talent Development</b>		<i>To retain the best talent, employee need to be engaged and developed</i>				
Average Training Hours per employee	10	Number of Training Hours recorded in Learning Management System (annualized)/the average number of employees during the period			Target Hours is between 15 - 20 hours	
% of Employee Performance Plans in Place	93%	Number of completed Performance Plans recorded in the Performance Management System/the average number of employees during the period			Target is above 90% in place	
Number of employees participating in Formal Mentoring program	542	Number of employees matched with a mentor as part of the "Mentoring" program			Target is above 500 employees	
<b>Employee Engagement</b>		<i>To retain the best talent, employee need to be engaged and developed</i>				
Employee Engagement Index	71	Number of employees that responded positively to the 5 Employee Engagement questions that comprise index			Target is 70 or above	
Unplanned Absences Rate	3.1	Number of unplanned absence hours recorded in the Time-Keeping system (annualized)/the average number of employees during the period			Target is less than 3.5 days per employee	

# Diversity Scorecards

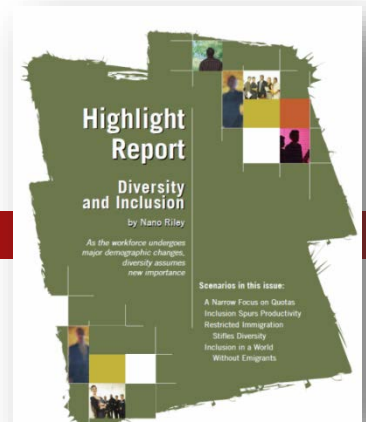
# THE PROBLEMS OF DIVERSITY SCORECARDS

- ❑ Controversial
- ❑ Litigious
- ❑ Contentious
- ❑ Mystify
- ❑ Obscure
- ❑ Futile



# DIVERSITY DRIVERS

## Based on the i4cp Global Diversity Practices Survey



- ❑ There are four primary drivers for Workforce Diversity:
  - It's the law/compliance-driven
  - It's the right thing to do/conscience-driven
  - It's a business imperative/competitive-driven
  - It's about talent/capacity and capability – driven
- ❑ The scorecard needs to be aligned with the business strategy or driver

# DIVERSITY DRIVER DISTRIBUTION

## Based on the 2009 i4cp Global Diversity Practices Survey

- 10% It's the law/compliance-driven
- 15% It's the right thing to do/conscience-driven
- 58% It's a business imperative/competitive-driven
- 12% It's about talent/capacity and capability
- 5% Other\*

*\* No other reason was more than 1%*



# IT'S THE LAW

## Your Diversity Scorecard might include:

- ❑ Number of employee “complaints” and resolution rates
- ❑ Training attendance rates
  - Overall
  - Managers
  - Executives
- ❑ Number of AAP groups with a goal



# IT'S THE RIGHT THING TO DO

## Your Diversity Scorecard might include:

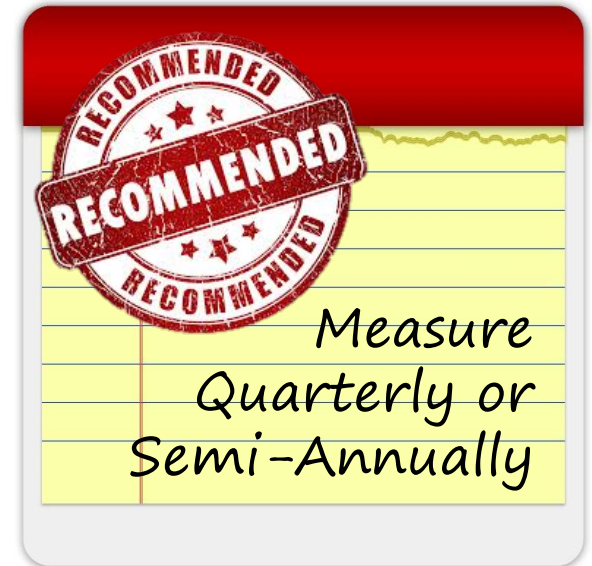
- ❑ Overall employee representation
- ❑ Leadership representation
- ❑ Organization reputation (in the community and with customers)
- ❑ Shareholder or investor attitudes of the organization



# IT'S A BUSINESS IMPERATIVE

**Your Diversity Scorecard might include:** Measurements that align with the imperative.

- ❑ Reflect customer/community base demographics
  - Report employee demographics and customer or community base
- ❑ Support the organization's culture and branding efforts
- ❑ Strengthen relationships with global partners and customers
  - Report the number of employees who speak foreign language, nationality or global assignments
  - Other efforts such as training, partnerships, etc.



# IT'S ABOUT TALENT

## Your Diversity Scorecard might include:

- ❑ Representation numbers
  - Hires
  - Separations
- ❑ High potential representation
- ❑ Career path/movement metrics
- ❑ Assignment and special project distribution
- ❑ Affinity group participation



# Diversity Scorecard Example

*It's about Talent*

# WORKFORCE DIVERSITY “INCOME” STATEMENT

The currency of Workforce Diversity is hires, separations, and representation.



- ❑ Hires are like Revenue
- ❑ Separations/Retention are like Expenses
- ❑ Representation is the “Bottom Line”

# IN THIS EXAMPLE...

**In 2013,**

- ❑ This organization concluded their most critical issue was a lack of female bench strength for executive positions
- ❑ They are targeting the “director” role and have created a 5 year goal for female representation in this employee group (35%)
- ❑ They believe employee engagement is a driver of termination rates
- ❑ Through the engagement survey and focus groups lack of career opportunity is a clear “dissatisfier”
- ❑ They also want to insure they are creating an inclusive environment to increase productivity

# IN THIS EXAMPLE...

## This organization:

- ❑ Surveys employee population twice a year
- ❑ They ask two unique questions:
  - Where do you think you will be in a year?
    - Same position
    - Different position, Same Department
    - Different position, Different Department
    - Retired
    - No Longer with the Organization
  - Do you feel different or are you a minority in your work group?
    - Yes
    - No
    - Prefer not to respond





# Diversity & Inclusion Scorecard

Report Identification

Totals or Denominators for calculations

Overall	Bottom Line	Drive Metric (Used to explain past results)	Expectation Metrics (Predictive Indicator)
	Inclusion Metrics		
Retention	Overall Costs	Types of Costs	So What?
Hiring	Overall Revenue	Type of Revenue	So What?

Conclusions

Recommendations

Implementation Plan Marker



# Diversity & Inclusion Scorecard

January 1 - December 31, 2014

<b>Average Headcount</b>	<b>50,000</b>	<b>Average Director Headcount</b>	<b>3,890</b>
<b>Number of Terminations</b>	<b>6,350</b>	<b>Number of Director Terminations</b>	<b>311</b>
<b>Number of Hires</b>	<b>5,872</b>	<b>Number of Director Hires</b>	<b>387</b>

<b>Overall</b>	Average Employee Headcount	50,000	Overall Employee Engagement	70	Same Position	65.0%
	Overall Female Representation	45.7%	Female Employee Engagement	71	Different Position, Same Dept.	12.0%
	Female Director Representation	32.4%	Male Director Engagement	75	Different Position, Different Dept.	8.0%
			Female Director Engagement	72	Retired	3.0%
	Percent "different" from peer	24.1%	Inclusion Engagement	65	No longer with firm	12.0%
	<p>Female Representation rate are very good when compared with availability and external benchmarks. Female Director Representation Goal is to increase to 35% over three years.</p>		<p>Overall Engagement is good compared to benchmarks. Directors have higher engagement which is expected, but Female Director Score is lower than their Male counterparts. The low Inclusion score is a cause for concern.</p>		<p>~10,000 employees expected to be in a different position in one year. ~7,500 employees do not plan to be with the firm in a year.</p>	
<b>Retention</b>	Overall Employee Retention Rate	87.3%	Voluntary Termination Rate	81.0%	5,144 employees voluntarily left the organization. 989 were terminated for cause.	
			Involuntary Termination Rate	19.0%		
	Female Retention Rate	91.4%			Male Director Retention was almost 95%. 30 Female Directors were terminated by the firm	
	Female Director Retention Rate	84.9%	Voluntary Female Director Rate	84.0%		
		Involuntary Female Director Rate	16.0%			
<b>Hiring</b>	Female Hiring Rates	48.0%	Female Promotion Rate	81.0%	4,830 employees were promoted in the last year (9.7% of the workforce), but overall men are more likely to be promoted than women.	
	Male Hiring Rates	52.0%	Male Promotion Rate	11.0%		
	Female Director Hiring Rates	33.6%	Female Director Promotion Rate	6.2%	Female Director Hiring rates remain flat, but 78 Female Directors were promoted at a 6.2% rate.	
	Male Director Hiring Rates	66.4%	Male Director Promotion Rate	4.4%		

### Outlook for 2015

If current Hiring and Retention Rates continue, Female Director Representation will slip ~.05%  
 This will make reaching 2017 goal nearly impossible.  
 Continued strong internal female promotion rates could close the gap.

### Recommendations



# Tips for Success

# ASK YOURSELF

**What is the primary reason your organization needs to measure workforce diversity?**

- a) Create manager accountability
- b) Measure the effect of programs/processes
- c) Track organizational results/outcomes
- d) To create/reinforce a business case
- e) All of the above

# DESIGNING THE RIGHT TOOL(S)

- ❑ What is the measurement tool for?
  - Is it to create accountability for the business?
  - Is it to measure the success of the HR function?
  - Is it to make better decisions for the business?
  - Is it to measure the success of a particular process or initiative?
  - Is it to show the value of HR or HR processes?
- ❑ Who is the measurement tool for?
  - Executives
  - Line management
  - HR community

# DESIGNING THE RIGHT TOOL(S)

- ❑ What is the organizational cultural bias?
  - Carrot?
  - Stick?
  - Both?
- ❑ What is the organizational appetite?
  - Are there adequate resources?
  - Is there demand? Who is “demanding” it?
  - Are incentives aligned?

# TIPS FOR SUCCESS

- ❑ Identify Stakeholders and Champions and conduct a half-day workshop (annually)
  - Brainstorm on what you want to accomplish
  - Build or confirm a common understanding of terms
  - Identify barriers
    - Determine significance. Are there “show stoppers”?
    - What is needed to redress?
  - Make a plan for change management

# TIPS FOR SUCCESS

- ❑ Build a long-term vision with an end state and identify milestones or “toll gates”
- ❑ Identify pilot tools when possible
- ❑ Be realistic about time commitment
- ❑ Understand the data source and processes



# THANK YOU!

Visit our website at [www.HRMetricsCoach.com](http://www.HRMetricsCoach.com) or contact us directly:

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